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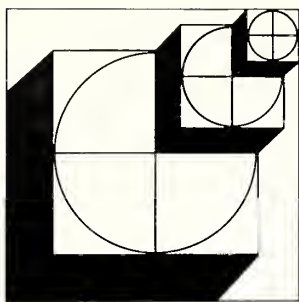
Family Economics Review

1987
No. 1

United States
Department of
Agriculture

Agricultural
Research
Service





Family Economics Review

1987 No. 1

Contents:

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Family Economics Review is published each quarter by the Family Economics Research Group, Agricultural Research Service, United States Department of Agriculture, Washington, D.C.

The Secretary of Agriculture has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

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Recent Trends in Clothing and Textiles 1
Joan C. Courtless

Diets of American Women by Income, Spring 1977 and
Spring 1985 10
Katherine S. Tippett and Howard A. Riddick

Abstracts

Recent Developments in Automobile Financing 18

Measures of Compensation 19

Using Consumer Expenditure Survey Data 24

Spending Patterns of U.S. Households 26

Money Income of Households, Families, and Persons in 1984 30

Regular Features

New Publications 29

Cost of Food at Home 32

Consumer Prices 33

Issued February 1987

Recent Trends in Clothing and Textiles¹

By Joan C. Courtless
Family economist

Clothing Expenditures and Prices

In 1986 apparel and upkeep prices, as measured by the Consumer Price Index, rose 1.9% over 1985 (table 1), a small increase but still greater than the 0.6% increase in prices for the "all items" category. For the most part, increases or decreases in the various clothing categories were modest; only prices for girls' separates and sportswear increased by as much as 10%. Prices for men's coats and jackets declined for the second consecutive year.

Annual spending for clothing and shoes in 1986 is estimated at \$682 per person according to preliminary figures for the first three quarters of 1986 (table 2). This amount exceeds 1985 spending by \$32 per person; all of this increase can be attributed to increased buying--higher prices were not a factor as in previous years. Since 1982, per capita expenditures for clothing and shoes have increased by \$146; only 24% of this increase can be attributed to higher prices. This real increase in clothing purchases by consumers over the last several years may have both demographic and economic explanations: The baby boom cohort is maturing into an age group with higher earnings and spending power; the number of two-earner families is increasing; and the educational level for women entering the work force is higher (increasing their earnings potential) (5). In addition, clothing has been a good value in recent years because, until 1985, prices overall increased faster than prices for clothing (13).

¹ This article is adapted from a paper presented at the Annual Agricultural Outlook Conference in December 1986 in Washington, DC.

Trade in Textiles, Apparel, and Footwear

Although the total U.S. apparel market expanded at a rate of 4.7% during 1985, imports grew at a rate of 8.8% (18). Apparel imports had a 43% market share in 1985 (18); shoe imports took 77% of the U.S. market, and sweater imports comprised 70% (4).

The trade deficit in textiles and apparel reached \$13.6 billion in 1985, the largest deficit in history and 10% higher than in 1984. The combined textile and apparel trade deficit for 1986 will probably exceed this amount; for the first 8 months of 1986 it was 22% higher than during the same period in 1985. The trade deficit for textiles for the January-August 1986 period was up 42% from the same period in 1985; the trade deficit for apparel was 19% higher for the first 8 months of 1986 than during the same period in 1985. Volume of textile and apparel imports (in square yards equivalent) was up 24% for the first 8 months of 1986 compared with the same period in 1985. Corresponding increases in volume by fiber were cotton, 28%; wool, 8%; and manmade, 23%.

In February 1986 President Reagan announced a new textiles and apparel program for Caribbean nations. This program is designed to provide increased access to the U.S. clothing market by increasing quotas for apparel assembled in a Caribbean nation from cloth woven and cut in the United States. Participating countries include Jamaica and Haiti, with preliminary agreements (memoranda of understanding) with the Dominican Republic, Trinidad/Tobago, and Barbados. Any increase in Caribbean imports by the United States is to be balanced by a corresponding decrease in import levels for all other countries.

In March 1986 President Reagan determined that the global quotas maintained by the Government of Japan on imports of leather and leather footwear, (1) denied benefits due the United States under the General Agreement on Tariffs and Trade (GATT), (2) were unreasonable, and (3) constituted a burden and restriction on U.S. commerce. Consequently, the United States has agreed

Table 1. *Percent change in prices of apparel and upkeep, December 1985 to September 1986*¹

Group and item	Percent change (annualized)
All items .....	.6
Apparel and upkeep	1.9
Men's and boys' clothing .....	.1
Men's .....	.4
Suits, sport coats, and jackets	7.4
Coats and jackets	-3.5
Furnishings and special clothing .....	.3
Shirts	-.6
Dungarees, jeans, and trousers	-2.2
Boys'	-1.0
Coats, jackets, sweaters, and shirts	1.0
Furnishings	-1.0
Suits, trousers, sport coats, and jackets	-2.7
Women's and girls' clothing	2.8
Women's	2.6
Coats and jackets	-.4
Dresses	7.7
Separates and sportswear	5.2
Underwear, nightwear, and hosiery	-1.3
Suits	4.5
Girls'	3.1
Coats, jackets, dresses, and suits	-2.4
Separates and sportswear	10.2
Underwear, nightwear, hosiery, and accessories ....	.1
Infants' and toddlers' clothing	3.8
Other apparel commodities	4.4
Sewing materials and notions .....	.6
Jewelry and luggage	6.0
Footwear	-1.0
Men's .....	.2
Boys' and girls'	1.6
Women's	-4.4

¹Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Source: Calculated from the CPI Detailed Report, December 1985 and September 1986, U.S. Department of Labor, Bureau of Labor Statistics.

to accept compensation from Japan (an estimated value to the United States of \$236 million) and to increase duties on \$24 million of U.S. imports from Japan. The settlement also involves tariff concessions on \$2.3 billion worth of U.S. exports to Japan in 1984. Because Japan notified GATT of its intent to remove global quotas on leather and leather footwear imports and replace them with new tariff measures, the settlement will increase opportunities for American producers to sell products in Japan.

On July 31, 1986, the Arrangement Regarding International Trade in Textiles (Multi-Fiber Arrangements) was extended until July 31, 1991. The new agreement provides that almost all textile imports are available for quota control, including linen, ramie, and silk blends. However, renegotiation of bilateral agreements prior to their expiration date is no longer permitted. Before signing the new trade pact, the United States cancelled bilateral agreements with Hong Kong, Taiwan, and South Korea, and replaced them with new agreements limiting annual import growth rates to 1%, 0.5%, and 0.8%, respectively (1).

Table 2. *Annual expenditures on clothing and shoes*¹

Year	Per capita expenditures ²		Percent of personal consumption expenditures		Aggregate expenditures	
	Constant dollars (1982)	Current dollars	Constant dollars (1982)	Current dollars	Billions of constant dollars (1982)	Billions of current dollars
1982	536	536	6.1	6.1	124.4	124.4
1983	566	577	6.2	6.0	132.6	135.1
1984	603	622	6.4	6.1	142.7	147.2
1985	612	650	6.3	6.0	146.0	155.2
1986 ³	647	682	6.5	6.0	155.9	164.3

¹Includes yard goods, but excludes services such as cleaning and repairing clothing and shoes.

²Calculated by dividing aggregate expenditures for each year by population figures for July of each year.

³Preliminary figures--average of estimates for first 3 quarters of 1986 (i.e., seasonally adjusted quarterly totals at annual rates).

Sources: Calculated from U.S. Department of Commerce, Bureau of the Census, 1986, Population estimates and projections, Current Population Reports, Series P-25, and personal communication; and U.S. Department of Commerce, Bureau of Economic Analysis, 1986, Survey of Current Business 66(7):37 (tables 2.2 and 2.3), and personal communication.

Supplies, Prices, and Consumption of Fibers

World production of fibers was 3% lower in 1985 than in 1984. Natural fiber production (primarily cotton) was down by 7%, decreasing from 58% of all fiber production in 1984 to 55% in 1985 (17).

The 1986 U.S. mill consumption of total fibers is estimated at 49.8 pounds per capita. This includes 13.3 pounds of cotton, 0.6 pound of wool, and 35.9 pounds of manmade fibers. Per capita use in 1985 was 46.6 pounds, including 11.8 pounds of cotton, 0.5 pound of wool, and 34.3 pounds of manmade fibers.

Cotton. The 1986 U.S. cotton crop is expected to be about 10.7 million bales, down 21% from 1985. Cotton prices dropped sharply (from 66 cents to 26 cents a pound) when the 1985 farm bill went into effect on August 1, 1986. Since the world price has been around 23 cents a pound, U.S. cotton will be competitive in international markets. Exports for 1986-87 are estimated at 6.3 million bales, giving the United States a 29% share of world cotton trade (compared with 10% in 1985-86). Although cotton textile imports were up only 2% in 1985 over 1984, during January to August 1986 cotton imports were up 17% over the same period in 1985. Hong Kong, China, Taiwan, and Korea supplied 50% of U.S. cotton textile imports during 1985.

For the first time since 1970 (14, 15, 19), cotton's share of the apparel market reached 40% in 1985.

Wool. Mill consumption of apparel wool during the first 6 months of 1986 was 28% above the 1985 level but 4% below the 1984 level. Average U.S. farm prices for wool in 1986 are expected to be unchanged from 1985, about 65 cents per pound (greasy).

Imports of raw wool during the first 6 months of 1986 were 26% above imports a year earlier but 4% below the 1984 level. Over 68% of all wool consumed domestically in 1985 was imported. Wearing apparel and carpets or rugs represented 40% and 27% of U.S. wool textile imports in 1985.

Mohair. U.S. mohair exports in 1986 are expected to be about 3% higher than in 1985. During January to June, 71% of mohair exports went to the United Kingdom. World production of mohair is expected to be about 50 million pounds, 13% above the 1985 level. About 14 million pounds, 28% of this amount, will be produced in the United States.

Manmade fibers. Shipments of manmade fibers by U.S. producers during the first 8 months of 1986 were 2% above shipments a year earlier (19) and 3% above the 1984 level (16). Demand has increased for acrylic staple fibers, used in active sportswear; polyester staple fibers, used in knit bottomweight apparel; and for nylon, used in carpets. Shipments of polyester filament decreased because of lower demand for textured yarn in slacks, dresses, and skirts.

Developments in Fibers and Fabrics

The official name for a newly developed American wool/cotton blend fabric is "Alamera." The method for blending wool and cotton fibers on the cotton spinning system was developed by the American Wool Council. An Alamera label can be used only on fabric made in America from American wool and cotton. The fabric offers a luxurious hand and year-round versatility by combining thermostatic qualities of wool with the comfort of cotton (8). Intimate blends ranging from 50% cotton/50% wool to 80% cotton/20% wool can be achieved. "Valhalla," a new fabric incorporating 80/20 Supima cotton and American wool, was available in 1986 in men's slacks (10).

A new family of fabrics, to be sold under the certification mark "CoolMax," is designed to regulate body temperature during prolonged physical exertion by increasing the air flow through the fibers to rapidly evaporate perspiration. Hydrophobic polymer fibers (for minimum absorption and maximum ventilation) have four channels that transport moisture away from the body along

the fiber's surface. This shape of fiber increases surface area by 20% over that of a round fiber, and encourages air flow for fast moisture evaporation (2).

A dual-denier staple polyester fiber will be used in blended knit fabrics to be sold under the certification mark "Great Feelings." These fabrics (for top-weight knits) must be made of at least 50% Great Feelings fibers. Each fiber consists of two strands, one more dense than the other, which produces a fabric that is loose, airy, soft, lightweight, and shrink resistant. Several manufacturers will feature this fabric in 1987 (2).

Fabrics knitted of "Celebrate" acetate will be monitored and tested on a continuing basis and then licensed if they meet performance specifications. Celebrate acetate is a filament yarn with excellent draping and dyeing characteristics. Fabrics are color-fast, moisture-absorbent, static-free, and have a silky hand (9).

A new cellulosic solvent-spun fiber is being developed in England. Known as Genesis, the new fiber will be classified separately from viscose or rayon. In testing, Genesis has exhibited good wash stability, wet strength, dyeability, static resistance, and absorbency (9).

"Courcel" is a hollow, inflated rayon fiber with a capacity to absorb 40% more water than regular rayon. The hollow core provides good wicking (even after repeated washing and drying) and thermal insulation. Courcel was developed for blending with polyester, acrylic, or cotton--it is not used alone because it lacks yarn strength. In blends with manmade fibers, Courcel adds softness and absorbency; in cotton blends, it also adds a lustrous appearance. J.P. Stevens & Co., Inc., has produced "Thermosoft" yarn, consisting of 50% Courcel rayon and 50% Kodel polyester, for use in thermowear, sports or leisure wear, conventional undergarments, and sleepwear (9).

The Orlon division of E.I. du Pont de Nemours & Co. Inc., has decided to stress the functional properties of Comfort 12 for the activewear (including socks) and children's markets. Marketing strategy for Comfort 12 had previously focused on fashion characteristics related to women's wear applications. In addition, Du Pont is broadening its specifications for Comfort 12 certification in women's knitwear to include blends of 75% Comfort 12 with 25% of another fiber such as rayon, silk, linen, or nylon. In the past, such certification indicated 100% Orlon content (2).

A new acrylic fiber with a round cross-section has been produced for use in socks, called AcrilanII Hi-Bulk. Socks made of this fiber have 50% longer wear life, superior softness, and superior dyeability, compared with socks knitted of other acrylic fibers (7).

"Thermax" hollowcore polyester, introduced in 1985 and widely accepted for thermo underwear applications, is now being used in gloves, hats, socks, and sock liners. These accessories will be available in fashion colors and designs (2).

USDA Research on Fibers and Fabrics

Scientists at Texas Tech University have grown cotton fibers in the laboratory directly from single cotton cells, without growing any other part of the cotton plant. Financed in part under a cooperative research agreement with USDA's Agricultural Research Service, further research will focus on determining the best media for cotton cell fiber differentiation. Test-tube cotton provides an opportunity for studying the growth and development of cotton plants, but it is unlikely to replace field-grown cotton in the foreseeable future (6).

On-going research at USDA's Southern Research Center in New Orleans has developed a method for binding cotton and polyester fabrics with polyethylene glycols, or PEG's. These chemicals can absorb and store heat when surrounding temperatures rise, and then release heat when temperatures fall. By adjusting the amount of the various PEG's

incorporated into the fabrics, scientists hope to produce protective materials suitable for firefighters, Arctic survival gear, building insulation, draperies, and packaging materials. A previously developed thermal fabric proved unable to withstand laundering or exposure to moisture.

Two fabric treatments invented by USDA scientists have recently been granted patents and are available for licensing. One gives cotton/polyester and other blended fabrics a finish that is both permanent press and flame retardant by chemically binding the treatment compounds inside the fabric. The other covers several nonformaldehyde finishing agents that allow cotton fabrics to be dyed after the cloth is made and treated to be wrinkle resistant and permanent press.

A process for curing leather by radiation has been developed by scientists at the USDA's Eastern Regional Research Center in Philadelphia. The radiation is less powerful than x rays and poses no hazard to people wearing the cured leather. The leather is covered with a wet film containing chemicals composed of small molecules such as acrylics. A conveyor belt carries the leather through radiation equipment (which has built-in shielding), where an electron beam solidifies the mixture by linking the small molecules into polymer chains that fix to the leather as a tough coating. Advantages to this method include superior scuff resistance for the consumer, and elimination of chemical pollution for the industry (instead of evaporating, the chemicals become part of the coating). Also, because savings in energy costs, plant space, and labor will permit prices to decrease, U.S. products will be more attractive to both domestic and foreign consumers of leather, thus reducing a current multibillion-dollar trade deficit in the leather industry.

Trends in Retailing

In order to offset the price advantages of imports, the American textile and apparel industries should be able to respond quickly to market needs. Several major textile and apparel manufacturers are cooperating in an effort to reduce the time it takes to place a retailer's order in the store. (Industry average time has been estimated at 66 weeks--including time required to make both the fiber and cloth.) By sharply reducing the time garments spend on warehouse shelves or in transit, apparel prices can become more competitive with imports. Benefits to the retailer would include lower inventory costs and increased opportunities to correctly assess consumer demand, reducing the need for markdowns of slow selling apparel. Methods by which production time can be decreased include the use of computer systems that will measure, color code, and inspect fabric as it comes off the looms, and then transmit this information to eliminate the need for a second inspection, so that the fabric goes directly to the cutting room. Also, computers that design patterns for knitted garments and program the knitting machines decrease total production time by several days (12).

The popularity and large numbers of off-price, discount, or factory outlet stores have led to frequent sales and price slashing by department and specialty stores in an effort to remain competitive. Many consumers rarely shop "full price" and seldom buy anything that is not on sale. Real value is not easily determined, however. Merchandise in an off-price store can be several seasons old, counterfeit, discontinued goods, or factory overruns. Fake markdowns are sometimes written on the price tag before the item ever reaches the sales floor. A "comparable price" is supposed to mean the item has been sold somewhere at that price. Federal Trade Commission guidelines define deceptive practices (such as phony sales and false savings claims) as those that are likely to mislead the consumer and influence his choice of product.

Monitoring and enforcement in several States has led to fines, lawsuits, and statewide rules as to what constitutes a sale.

Growth in off-price retailing is slowing, however. New retailing approaches will emphasize service and ambiance, and some foreign retail chains will compete with department stores for customers.

Retail use of electronic displays is increasing; video tapes help promote products and services on site. Some success has been achieved using electronic means as an aid to buying. In-store ordering of merchandise not in stock, but seen in an electronic catalog, is accomplished with assistance from store sales personnel. Transactional systems, in which consumers complete a sale electronically, are not developing as quickly as informational systems; consumers remain uncomfortable about buying goods through a computer. Some firms that anticipated a market for purchasing via computer are no longer in that business.

A chain of television channels, known as the Home Shopping Network Inc., sells between 30,000 and 40,000 different items to viewers through cable and satellite. Most of the merchandise (jewelry, housewares, appliances, china, and electronics) is acquired through liquidations and closeouts, and is advertised as deeply discounted from regular prices. A toll-free number for placing an order is flashed on the television screen as the merchandise is described. Although less than 5% of potential viewers actually purchase, net income amounts to millions of dollars each year.

Federal Legislation, Regulations, and Dissemination of Information Related to Textiles and Apparel

Both houses of Congress have passed legislation requiring the U.S. Department of Commerce to collect and publish quarterly statistics on the domestic apparel and textile industries, and requiring apparel and textile manufacturers to take part in these surveys. Currently, the Commerce Department collects annual data on these industries, and information needed to administer import restraint programs is often too late to be optimally effective.

Since December 1984, the employment of homeworkers in the knitted outerwear industry has been permitted, provided the employer first obtained a certificate from the U.S. Department of Labor. The certification program in knitted outerwear was implemented to permit law-abiding employers to employ homeworkers who want or need to work in their homes, and to enable the Department to effectively enforce the Fair Labor Standards Act (FLSA) with respect to these homeworkers.² A review of the investigations conducted by the Department to ensure compliance with the FLSA demonstrated that the knitted outerwear certification program is an acceptable alternative to a total ban on homework. However, homework in the women's apparel, jewelry manufacturing, gloves and mittens, button and buckle manufacturing, handkerchief manufacturing, and embroidery industries remains prohibited by regulations that have not been substantively changed since the forties. In the belief that the existing prohibition against homework in these six industries is counterproductive (employers have little incentive to comply with FLSA wage provisions because their very existence violates the FLSA), the Department proposes to apply the same certification procedure to the remaining restricted industries.

The Federal Trade Commission (FTC) amended the Rules and Regulations under the Textile Fiber Products Identification Act, effective July 9, 1986, to include generic names and definitions for two new manufactured fibers. From Celanese Corporation comes "PBI," a manufactured fiber in which the fiber-forming substance is a long-chain aromatic polymer having reoccurring imidazole groups as an integral part of the polymer chain. "Sulfar," from Phillips Fibers Corporation, is a manufactured fiber in which the fiber-forming substance is a

² For further information, see "Recent Trends in Clothing and Textiles," by Joan C. Courtless, Family Economics Review 86(2):25.

long-chain synthetic polysulfide in which at least 85% of the sulfide linkages (-S-) are attached directly to two aromatic rings. Petitions for new generic names must provide sufficient information to meet the following three criteria established by the FTC:

- The fiber must have a chemical composition radically different from other fibers, and that distinctive chemical composition must result in distinctive physical properties of significance to the general public.
- The fiber must be in active commercial use or such use must be immediately foreseen.
- The grant of the generic name must be of importance to the consuming public at large, rather than to a small group of knowledgeable professionals such as purchasing offices for large Government agencies.

Under current Federal Trade Commission (FTC) rules, manufacturers must list only one safe-care method on a label, even if other methods are also safe. Manufacturers are required to test only once any care method they put on a clothing label. When garments are returned to the retailer because they failed to survive recommended cleaning procedures, the retailer usually requests restitution from the manufacturer. To minimize such returns, some manufacturers have been using "dry clean only" labels on garments that are washable because in most instances dry cleaning is preferable to incorrect laundering; exceptions exist, however, and the consumer must rely on the dry cleaner to advise him accordingly.

The U.S. Department of Treasury has announced a new "textile fraud hotline" in Georgia, North Carolina, and South Carolina. The number is toll free and available 24

hours a day to receive anonymous tips of textile fraud from people in the textile industry or from concerned citizens. The U.S. Customs Service will pay cash rewards ranging from \$250 to \$2,500 for anonymous information (depending on the circumstances and outcome) and up to \$250,000 to persons who come forward. Examples of textile fraud include false country of origin labels, removing country of origin labels and substituting "made in the U.S.A." labels, false description of merchandise (weight, quantity, or fibers) to circumvent quotas, and altering the appearance of merchandise to avoid higher duties.

A Fiber and Textile Information Center has been created in the National Agricultural Library (NAL) at Beltsville, Maryland, to maximize service and support for the U.S. Department of Agriculture's research, education, and extension programs. Resources on textile production, use, and care in clothing and in the home or work environment may be accessed through AGRICOLA, the library's computerized database system. In addition, current publications (including over 75 periodicals, newspapers, and research journals that relate to fibers, textiles, clothing, home furnishings, sewing, and needlework) are maintained at the center. A unique feature of the Fiber and Textile Information Center is the collection of historical records of USDA research on natural fiber crops dating back to the early 1900's that was obtained from Agricultural Research Service laboratories. This comprehensive collection contains manuscript materials, reference cards and reprints, photographs, and specimens relating to more than 300 species of plants (excluding cotton). New books, journals, audiovisual materials, and computer software will be identified and acquired as NAL staff and funding permit. Also, historical collections and oral and video histories, which will help enrich the national collection, will be located and acquired.

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Diets of American Women by Income, Spring 1977 and Spring 1985

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Food selections made by low-income women in 1985 differed somewhat from those made by high-income women. Nevertheless, both low- and high-income women had nutrient intakes that were above the Recommended Dietary Allowances (RDA) for 8 of 15 nutrients examined and below the RDA for vitamin B₆, calcium, magnesium, iron, folacin, and zinc. In general, mean intakes by women for nutrients that were below the RDA in 1977 were also below the RDA in 1985.

The findings presented here are from the Continuing Survey of Food Intakes by Individuals (CSFII) conducted by USDA's Human Nutrition Information Service (HNIS).¹ The results are group means for women 19 to 50 years of age based on 1 day of dietary information collected by personal interview in the spring of 1985. The income categories used in this article are based on the poverty guidelines provided by the U.S. Department of Health and Human Services (7). Women living in households with before-tax incomes for the previous year at or below 130% of the poverty guidelines are classified in this article as low income, those with incomes between 131% and 300% of the guidelines are classified as middle income; and those with incomes of greater than 300% of the guidelines are classified as high income. The data exclude 191 women living in households that did not report income. Black women accounted for 30% of the low-income group, 5% of the middle-income group, and 3% of the high-income group. (For a comparison of diets of black and white women, see box on p. 11.)

¹More detailed information about the purpose, methodology, and results of the CSFII may be found in references 3, 5, and 6.

The CSFII data are compared with data collected from women of the same ages in the spring of 1977 as part of USDA's Nationwide Food Consumption Survey 1977-78.² Counts of women for 1977 and for 1985 are as follows:

<u>Income</u>	<u>1977</u>	<u>1985</u>
	(number)	
Low	350	293
Middle	693	512
High	814	508

The nutrient contents of foods reported in the survey were estimated using nutrient data developed by the HNIS' Food Composition Research Branch (1, 2). Nutrient intakes in 1977 reflect food composition data available at the time of the 1977 survey. Those in 1985 reflect the availability of new data, as well as certain changes in the nutrient content of foods attributable to new varieties and species, and new enrichment and fortification levels of foods on the market. The 1980 RDA were used to evaluate both the 1977 and the 1985 data.

FOOD AND NUTRIENT INTAKES IN 1985

Food intakes. Food intakes by women were measured in two ways--the percentage of respondents using selected food items (table 1, p. 12) and mean intakes (in grams) of food ingested (table 2, p. 13). Considering both of these measures, low-income women had higher intakes of meat, poultry, and fish; and eggs, but lower intakes of milk and milk products; vegetables; fruits; fats and oils; sugars and sweets; and beverages than high-income women. This generalization, however, obscures differences within food groups:

- Within the **meat, poultry, and fish** food group, low-income women compared with high-income women had higher mean intakes of all meat, poultry, and fish subgroups except meat mixtures. Low-income women had lower mean intakes of meat mixtures than

²For information on the survey, see "The 1977-78 Nationwide Food Consumption Survey," by Robert L. Rizek, Family Economics Review, fall 1978, pp. 3-7.)

DIETS OF BLACK AND WHITE WOMEN

In the CSFII, information on race was self-reported. Of the 1,486 women who reported race, 1,275 were white, 143 were black, and 68 were of another race. Of the white women who reported income, 16% were low-income; of the black women, 68%. In several categories of food and nutrient intakes, blacks and whites differed. Although some of the differences may be attributable to income rather than to race, the small sample of blacks precludes direct comparisons of blacks and whites by income group. Group means in small sample sizes may be affected by particularly high or low intakes of certain foods. Therefore, the food and nutrient intakes for black women presented below should be used with caution.

- In 1985, the mean intake by black women of **meat, poultry, and fish** was 226 gm, compared with the mean intake by white women of 172 gm. Meat, poultry, and fish was reported by 93% of black women, compared with 88% of white women. Black and white women had similar intakes of beef. Black women had higher intakes of pork; poultry; fish and shellfish; and frankfurters, luncheon meats, sausages, and slightly lower intakes of meat mixtures than white women.
- The mean intake of **milk and milk products** by black women was substantially lower than that for white women (80 gm and 221 gm, respectively). Fewer than one-half of black women compared with four-fifths of white women, reported using a milk product on the surveyed day. Almost all of the fluid milk drunk by black women was whole milk (49 gm), rather than lowfat or skim milk (4 gm). White women reported drinking both whole and lowfat or skim milk, although their mean intake of lowfat or skim milk was higher than their mean intake of whole milk (88 gm and 66 gm, respectively).
- The mean intake of **eggs** by black women was 26 gm, compared with 17 gm by white women. A higher proportion of black than of white women reported using eggs (36% vs. 23%).
- Black women had lower intakes of **vegetables** than did white women (128 gm and 176 gm, respectively). Of the black women, 69% reported vegetables; of the white women, 85%. Among the vegetable subgroups, black women had a higher intake of dark green vegetables than did white women.
- The mean intake of **fruits** by black women was 107 gm, compared with the mean intake of white women of 114 gm. Fruits were reported by 37% of black women and 46% of white women.
- The mean intake of **grain products** by black women was 247 gm compared with 200 gm for white women. A lower percentage of black (90%) than white (94%) women, however, reported a grain product on the surveyed day.
- Black women had lower intakes than white women of **fats and oils, sugars and sweets**, and total **beverages**. Compared with white women, black women had lower intakes of coffee, tea, and low-calorie carbonated soft drinks, and higher intakes of fruit drinks and ades. Black and white women had similar intakes of regular soft drinks.

Mean intakes by women of both races were above the RDA for protein, vitamin A, ascorbic acid, thiamin, riboflavin, niacin, vitamin B₁₂, and phosphorus. Mean intakes of both groups were below the RDA for the following:

	<u>Black</u>	<u>White</u>
	(percentage of RDA)	
Food energy.....	81	82
Vitamin B ₆	58	62
Calcium	58	82
Magnesium.....	60	73
Iron	64	61
Folacin	47	51
Zinc	61	59
Vitamin E	93	98

In 1985, black women obtained 17% of their food energy from protein; white women, 16%. The contribution of fat to food energy was also similar--36% for black women and 37% for white women. The mean intake of fiber by black women was 10 gm; by white women, 12 gm.

Between 1977 and 1985 both black women and white women increased their mean intakes of fish and shellfish, meat mixtures, total grain products, all grain products subgroups, and total beverages, and decreased their mean intakes of meat, whole milk, eggs, vegetables, and fruits. The mean intake of skim milk by white women increased by 60% between 1977 and 1985, but the mean intake of skim milk by black women did not change.

Table 1. *Percentage of women 19 to 50 years of age using selected foods in a day, by household income level, spring 1985*

Food group	Income		
	Low	Middle (percent)	High
Meat, poultry, and fish	89	90	87
Beef	24	24	22
Pork	24	20	20
Frankfurters, luncheon meat, sausages	31	27	20
Poultry.....	22	20	19
Fish and shellfish	11	12	11
Mixtures ¹	30	36	44
Milk and milk products	68	77	83
Fluid milk	46	52	52
Whole milk	31	26	23
Skim milk	13	27	31
Cheese	27	34	38
Yogurt.....	1	5	6
Cream/milk desserts	19	25	29
Eggs	29	27	21
Legumes, nuts, seeds	17	22	24
Vegetables	74	87	85
White potatoes.....	44	46	44
Tomatoes	19	30	30
Dark green.....	6	10	10
Deep yellow	5	10	12
Other	54	71	69
Fruits	36	48	55
Citrus fruits and juices	15	27	30
Other fruits and juices	25	33	42
Grain products	93	94	95
Yeast breads, rolls.....	67	74	70
Other baked goods	40	54	62
Cereals, pasta.....	38	31	30
Mixtures ²	25	28	28
Fats and oils	58	66	67
Sugars and sweets.....	54	55	56
Beverages	91	91	96
Alcoholic beverages.....	7	14	22
Coffee.....	47	48	60
Tea	26	33	34
Fruit drinks and ades	24	12	11
Carbonated soft drinks	49	55	58
Regular	41	36	34
Low-calorie.....	9	21	27

¹ Mixtures that are mainly meat, poultry, or fish, such as stews and sandwiches.

² Mixtures that are mainly grains, such as pizza and pasta with sauce.

Source: Unpublished data from the Continuing Survey of Food Intakes by Individuals, 1985, Human Nutrition Information Service, U.S. Department of Agriculture.

Table 2. Mean intakes by women 19 to 50 years of age, of selected foods in a day, by household income level, spring 1985

Food group	Income		
	Low	Middle (grams)	High
Meat, poultry, and fish	188	180	179
Beef	31	27	26
Pork	16	14	13
Frankfurters, luncheon meat, sausages	15	15	9
Poultry.....	29	19	22
Fish and shellfish	13	14	12
Mixtures ¹	77	84	94
Milk and milk products	163	212	206
Fluid milk	121	151	136
Whole milk	77	65	50
Skim milk	43	86	86
Cheese	12	14	20
Yogurt.....	1	11	11
Cream/milk desserts	20	22	28
Eggs	22	19	16
Legumes, nuts, seeds	21	20	19
Vegetables	144	177	186
White potatoes.....	58	47	48
Tomatoes	13	19	21
Dark green.....	10	12	10
Deep yellow	3	7	8
Other	60	91	99
Fruits	86	121	140
Citrus fruits and juices	36	59	68
Other fruits and juices	49	62	72
Grain products	234	210	209
Yeast breads, rolls.....	47	52	44
Other baked goods	42	48	54
Cereals, pasta.....	61	39	32
Mixtures ²	84	71	79
Fats and oils	10	16	21
Sugars and sweets.....	15	23	18
Beverages	819	919	1,019
Alcoholic beverages.....	50	94	110
Coffee.....	276	309	394
Tea	150	174	169
Fruit drinks and ades	90	57	38
Carbonated soft drinks	253	285	309
Regular	210	164	170
Low-calorie	42	118	138

¹ Mixtures that are mainly meat, poultry, or fish (such as stews and sandwiches).

² Mixtures that are mainly grains (such as pizza and pasta with sauce).

Source: Unpublished data from the Continuing Survey of Food Intakes by Individuals, 1985, Human Nutrition Information Service, U.S. Department of Agriculture.

did high-income women (77 gm and 94 gm, respectively).³ Also, a lower proportion of low-income than high-income women reported meat mixtures on the surveyed day (30% and 44%, respectively).

• Low-income women reported lower intakes of all **milk and milk products** (fluid milk yogurt, cream and milk desserts, and cheese) than did high-income women. One exception, within the fluid milk subgroup, was the higher mean intake of whole milk by low-income women (77 gm) than by high-income women (50 gm).

• Low-income women reported a higher intake of eggs than did high-income women (22 gm and 16 grams, respectively). Eggs were reported by 29% of the low-income women, compared with 21% of the high-income women.

• Intakes of **vegetables** by low-income women were lower than those for high-income women. This was generally true for all subgroups except white potatoes, for which the mean intake by low-income women was slightly higher than that of high-income women; and dark-green vegetables, for which the mean intake by low- and high-income women was the same. (Intakes of vegetables exclude vegetables eaten as part of meat or grain mixtures.)

• The mean intake of **fruits** by low-income women (86 gm) was lower than that of high-income women (140 gm). Fruits were reported by 36% of the low-income women, compared with 55% of high-income women. This pattern was true for both citrus and noncitrus fruits and juices.

• The proportion of low- and high-income women reporting **grain products** was similar. However, the mean intake of grain products by low-income women was higher than that of women in the high-income group (234 gm and 209 gm, respectively). Low-income women compared with high-income women had higher mean intakes of cereals and pasta and grain mixtures and lower mean intakes of baked goods other than yeast breads and rolls.

³ Meat mixtures--such as stews, casseroles, sandwiches (including hamburgers), and frozen dinners--are mixtures having one or more types of meat, poultry, or fish as a major ingredient.

• Low-income women compared with high-income women had lower intakes of total **beverages** and of the beverage subgroups for alcohol, tea, coffee, and low-calorie soft drinks; and higher intakes of fruit drinks/ades and regular soft drinks. Women in all income groups reported higher intakes of regular compared with low-calorie soft drinks, but the difference in intakes between the two categories of soft drinks was much smaller for the high-income women.

Nutrient intakes. Low-income women reported food intakes that were lower in food energy than those reported by high-income women. Women in all three income levels had mean food energy intakes that were below the midpoint of the RDA:

<u>Income</u>	<u>Calories</u>	<u>Percentage of RDA</u>
Low	1,598	78
Middle.....	1,665	81
High	1,736	86

Mean intakes by women in all three income groups were above the RDA for protein, vitamin A, ascorbic acid, thiamin, riboflavin, niacin, vitamin B₁₂, and phosphorus; and below the RDA for vitamin B₆, calcium, magnesium, iron, folacin, and zinc (table 3). Intakes of vitamin E were below the RDA for low-income women but not for middle- or high-income women. Of the six nutrients below RDA for all income groups, low-income women had lower intakes of vitamin B₆, calcium, magnesium, and folacin than did high-income women. This may reflect some of the differences in food consumption mentioned earlier: Lower intakes of dairy products, fruits, and vegetables for low-income women than for high-income women. Intakes below RDA are not necessarily inadequate because the RDA, to be safe, are set above the needs of most people. However, the risk of having an inadequate intake is greater for groups of people with intakes well below the RDA (4).

The mean copper intake of low-income women was 1.0 mg; of middle-income women, 1.1 mg; and of high-income women, 1.1 mg. All of these intakes were well below the

range of intakes (2.0 mg to 3.0 mg) suggested by the Food and Nutrition Board, National Academy of Sciences (4).

The CSFII provides data for several nutrients and dietary components for which no RDA are published. The mean intake of dietary fiber was lower for low-income women (10 gm) than for high-income women (13 gm), reflecting low-income women's lower intakes of vegetables and fruits, which are the largest source of dietary fiber. Low-income women had a mean cholesterol intake of 341 mg, compared with 305 mg for middle-income women, and 295 mg for high-income women. Cholesterol is provided by foods of animal origin such as eggs, beef, poultry, and milk. Grain products containing eggs and milk or milk products also include cholesterol.

Women at all three income levels obtained 16% of their food energy from protein. Low- and middle-income women obtained 36% of their food energy from fat; high-income women obtained 38%.

CHANGES BETWEEN 1977 and 1985⁴

Food intakes. Within the meat, poultry, and fish food group, survey results indicate two major shifts by women ages 19 to 50 between 1977 and 1985. First, previous food consumption surveys have shown the consumption of meat (beef; pork; frankfurters, sausages, luncheon meats; lamb, veal, game; and organ meats) is higher at successively higher income levels. In 1985, however, high-income women reported 25% less meat (in grams) than low-income women, compared with 1977 when high-income women reported 20% more meat (see figure, p. 16.). Although meat intake by all three income groups was lower in 1985 than in 1977, the decline was greatest for

⁴Changes in data collection procedures, probing techniques, and food composition data between 1977 and 1985 may have affected increases or decreases in the intake of certain foods and nutrients.

Table 3. Mean intakes by women 19 to 50 years of age, of selected nutrients below the 1980 RDA, by household income level, spring 1985 and spring 1977

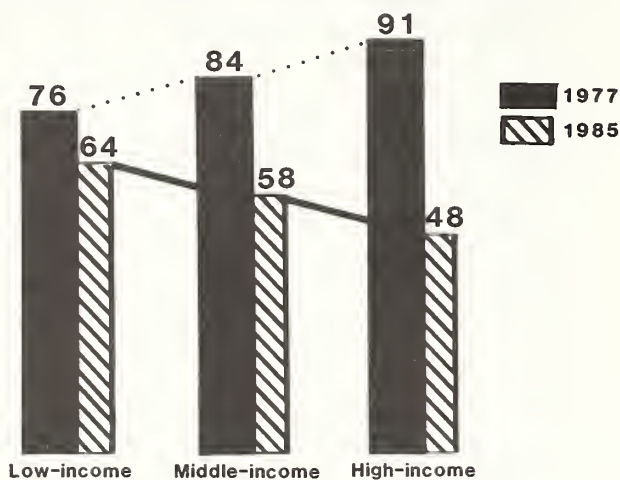
Income level	Vitamin B6	Calcium	Magne- sium	Iron	Folacin	Zinc	Vitamin E
	(percentage of RDA)						
1985							
Low	58	66	63	62	45	61	83
Middle	62	79	71	62	52	59	102
High	64	84	77	61	53	61	102
All	61	78	72	61	51	60	97
1977							
Low	57	67	65	55	*	*	*
Middle	58	71	70	55	*	*	*
High	63	71	75	59	*	*	*
All	60	69	71	56	*	*	*

*Not examined in NFCS, 1977-78.

Source: U.S. Department of Agriculture, Human Nutrition Information Service, 1985, Nationwide Food Consumption Survey, Continuing Survey of Food Intakes by Individuals: Women 19-50 Years and Their Children 1-5 Years, 1 Day, Report No. 85-1, 102 pp.

Meat:

Mean Intakes (grams) by Women 19-50 Years, by Income, One Day, Spring 1977 and 1985



Unpublished data from CSFII-85 and NFCS 77-78, USDA, HNIS

the high-income group (table 4). Second, the data indicate a shift by women in all three income groups away from meat reported separately (beef; pork; lamb, veal, and game; and frankfurters, sausages, and luncheon meats) toward mixtures such as stews and sandwiches. Mean intakes of meat mixtures increased by 33% for low-income women and by 38% for high-income women.

Between 1977 and 1985 women in all three income groups decreased their mean intake of whole milk and increased their intake of lowfat or skim milk. Despite this shift, low-income women in 1985, as in 1977, continued to have higher intakes of whole milk than of lowfat or skim milk. Middle-income and high-income women, however, had higher intakes of lowfat or skim milk than of whole milk--a reversal of their 1977 pattern.

The mean intakes of eggs by all income groups decreased. Intakes of vegetables and fruits decreased for both the low- and high-income women but increased slightly for middle-income women.

Women in all income groups increased their intakes of grain products and beverages. Within the grain products group, the category with the largest gain for all income groups was grain mixtures such as pizza, spaghetti, and macaroni and cheese. Within the beverage group, carbonated soft drinks

increased for women in all three income groups.

Nutrient intakes. Food energy intakes by women in all three income groups were higher in 1985 than in 1977. Nutrient intakes by women of vitamin B₆, calcium, magnesium, iron, folacin, and zinc were below the RDA in 1977 for women in all three income groups and were still below the RDA in 1985 (table 4). Thiamin intakes for middle- and high-income women were slightly below the RDA in 1977 but above the RDA in 1985.

Of the nutrients below RDA in both 1977 and 1985, most improved were the nutrient intakes of calcium by middle- and high-income women and iron intakes by low- and middle-income women.

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Table 4. *Percentage change in mean intake by women 19 to 50 years of age, of selected foods on 1 day in spring 1977 and in spring 1985, by household income level*

Food group	Income		
	Low	Middle	High
	(percentage change)		
Meat, poultry, and fish	8	-3	-8
Meat ¹	-16	-31	-47
Poultry.....	0	-14	-12
Fish and shellfish	18	40	20
Mixtures ²	33	22	38
Milk and milk products	-21	-3	6
Whole milk	-42	-40	-32
Skim/lowfat milk.....	43	62	59
Cheese	-8	-12	0
Eggs	-29	-14	-30
Legumes, nuts, seeds	-16	-5	12
Vegetables.....	-21	3	-6
Fruits	-15	5	-6
Grain products	31	30	28
Bread, other baked goods.....	5	16	11
Cereals, pasta.....	9	56	14
Mixtures ³	127	45	68
Beverages.....	32	22	25
Coffee.....	16	-2	15
Tea	18	5	-6
Carbonated soft drinks	44	52	65

¹ Beef; pork; frankfurters, sausages, luncheon meats; lamb, veal, game; and organ meats (cooked edible parts only).

² Mixtures that are mainly meat, poultry, or fish (such as stews and sandwiches).

³ Mixtures that are mainly grain, such as pizza and pasta with sauce.

Source: Unpublished data from the Continuing Survey of Food Intakes by Individuals, 1985, Human Nutrition Information Service, U.S. Department of Agriculture.

Recent Developments in Automobile Financing

Automobile purchases constitute the largest single category of expenditures financed by consumer installment credit. Changes in the terms or availability of auto credit can influence shortrun movements in auto sales and aggregate consumer spending. Auto credit demand is derived mainly from the demand for cars. The demand for cars is dependent on the transportation needs of potential buyers, car prices and financing costs, and the gap between the desired stock of cars and the actual stock owned by the public.

Economic conditions have caused alternate patterns of weakening and resurgence in the growth of automobile credit in recent years. Between 1976 and 1979, car sales totaled between 10 and 11 million units each year, and auto credit expanded at annual rates of about 20 percent. Back-to-back recessions followed in the years 1980 through 1982 that decreased the demand for cars. Domestic car sales were hit particularly hard, and used car sales slumped as well. Commercial banks (which account for the largest share of auto credit) cut back on lending to consumers in the 1980-82 period, reducing their portfolio of auto loans by 12-1/2 percent. Auto credit outstanding expanded at annual rates of only 4 percent. In response to this constriction of auto credit by banks, auto manufacturers supported the credit market through their finance company subsidiaries. One incentive was to offer loans at below-market rates on certain slow-selling models.

In 1982 sales of new cars hit a 20-year low of 8 million units. During the next 3 years auto sales and credit activity increased vigorously as the economy began to expand again. New car sales rebounded to 9-1/4 million units in 1983, and auto credit outstanding increased 16 percent. Sales reached 10-1/2 million units in 1984 and 11 million units in 1985. Several factors combined to create a favorable

car-buying atmosphere. The average age of the existing car stock was up. Installment debt owed by households relative to their income had dropped to a 7-year low of 14 percent. Gasoline prices had stabilized. Auto loan rates were being pulled down due to substantial declines in market interest rates. The U.S. dollar was strong on foreign exchange markets. Finally, commercial banks had returned as aggressive competitors in the auto credit market.

In the early eighties savings and loan associations entered the auto loan market. By the fall of 1985, savings and loans had moved ahead of retail stores as the fourth largest source of commercial credit, behind commercial banks, finance companies, and credit unions. Holdings of auto paper by savings and loans grew from \$1 billion in 1981 to \$8-1/2 billion at the end of 1985.

The supply of auto credit has further increased since the beginning of 1985 because of the following developments:

1. **Lengthening of maturities.** The average maturity of new-car loans rose from 46 months to 52 months during the 1984-85 period. Loan-to-value ratios also have edged higher.

2. **Loans with special features.** Balloon payments, for instance, reduce the size of the down payment or the monthly installments, or both, because of a large final "balloon" payment. The balloon payment can then be refinanced or paid for by the sale of the car.

3. **Leasing for nonbusiness purposes.** The consumer is able to obtain the use of a car with a relatively small initial outlay of cash and small monthly payments. Lease plans are available from automobile finance companies and from banks that are heavily involved in automobile finance.

4. **Reduced-rate financing programs.** The periodic offering of cut-rate financing by auto finance companies has lifted auto sales and credit. Low-rate financing was first offered by the large domestic automakers in 1982. The early programs provided relatively moderate rate discounts or they applied only to a narrow selection of slow-selling models. By 1985 virtually all car

models were covered by the programs, and the discounts were 4 to 5 percentage points below market rates. In general, the low-rate loan programs appear to affect the timing of sales more than they affect the total volume over a period of time.

5. Securities backed by auto loans. This refers to the pooling together of auto loans for sale in the secondary market in the form of a pass-through security. Until 1985 secondary marketing of nonmortgage consumer debt through the issuance of securities was virtually nonexistent. The General Motors Acceptance Corporation has been the principal originator of securities backed by auto loans. Banks and thrift institutions have been the largest purchasers of auto-backed certificates, and pension funds and insurance companies also have invested in them. Investors are attracted to auto-backed certificates by their yield advantage over Treasury notes, their limited default risk, and their comparatively short and predictable maturity (about 2 years). Although the influence of this new secondary market instrument on the supply of auto credit to date has been small, the continued development of such securities should bolster the overall supply of auto credit in the future.

It was predicted that a strong basic demand for autos and auto financing would be maintained in 1986. The median age of reached in 1985 for the existing car stock (the highest reading since World War II), a high auto scrappage rate, the recent sharp decline in gasoline prices, and a favorable economic outlook with generally lower interest rates and minimal inflationary pressures should combine to support auto demand.

Source: Lockett, Charles A., 1986, Recent developments in automobile finance, Federal Reserve Bulletin, 72(6):355-365, Board of Governors of the Federal Reserve System.

Measures of Compensation

In 1984 approximately 100 million persons were employed as wage or salary workers in the United States. Their earnings and benefits accounted for 75% of our national income. These numbers underscore the importance of a comprehensive statistical program covering employee compensation. In response to the diverse needs of data users, the U.S. Department of Labor, Bureau of Labor Statistics (BLS), has developed nine series on compensation, as described in this abstract. These series provide information on rates of pay, earnings, compensation, labor costs, and income.¹ Differences among the series are from variations in concept; worker, geographic, and industrial coverage; sampled establishment size;² timing of data collection; unit of measurement; collection and estimating techniques; and sample size and variability.

Occupational Wage Surveys

Occupational wage surveys are used to summarize the rate of pay for individual workers and develop averages and distributions of straight-time earnings for a number of jobs at a given time. Depending on the survey, data may be collected from a specific industry, labor market, or the Nation as a whole. Field representatives visit sample establishments and collect data from payroll

¹The rate of pay is the basic money return to a worker for a unit of time worked or output produced, plus various employee benefits. Earnings are employer payroll outlays to a worker. Compensation is earnings plus employer payments on behalf of a worker to public and private pension, health, and welfare funds. Income is total receipts of individuals and includes payments from a variety of sources but is not limited to payments for work.

²An establishment refers to a single physical location in manufacturing industries and to all outlets of a company within an area or county in nonmanufacturing industries.

records, company booklets, and labor-management agreements. Occupational wage surveys are used for a variety of purposes, such as wage and salary administration, plant location studies, collective bargaining, cost evaluations, and Federal wage-policy formulation. Data are useful in studies of both levels of pay and variations in pay according to occupation, industry, and geographic area.

Data are collected in industrial wage surveys from selected occupations that represent a range of activities performed by workers during a specified payroll month. These surveys provide information on straight-time, first-shift wage rates; pay distributions for broad employee groups (such as all production or all nonsupervisory workers); weekly work schedules; shift operations and pay differentials; employee benefits; cost-of-living adjustments; estimates of workers covered by labor management agreements; and proportions of workers employed under incentive pay plans.

Area wage surveys provide employment and wage data for office clerical, professional, technical, maintenance, toolroom, power-plant, material movement, and custodial occupations that are common to a variety of industries. Surveys are limited to selected metropolitan areas, which when properly weighted, yield employment and wage estimates at the national and regional levels.

The National Survey of Professional, Administrative, Technical, and Clerical Pay (PATC) provides information on white-collar salary levels and distributions in medium and large firms of private industry. In 1985 approximately 100 occupations were studied in accounting, legal services, personnel management, engineering, chemistry, purchasing, photography, crafting, computer science, and clerical fields. Data from the PATC are used as a principal element in setting the pay for Federal white-collar employees.

Average Hourly and Weekly Earnings: Establishment Data

The Current Employment Statistics Survey collects employment, hours, and earnings data monthly from a nationwide sample of nonagricultural establishments in cooperation with State employment security agencies. These agencies mail surveys to a sample of business establishments each month, develop estimates from the returned surveys, and forward the data to BLS. Earnings data are used by private and public organizations in monitoring the economic well-being of Americans dependent on salaries and wages, and as input in other time-series and economic models used for analyzing and projecting trends in the economy. Hourly earnings data are commonly used by both labor and management in contract negotiations, since the series not only furnishes current and historical information on a given industry but provides comparative data on related industries.

Earnings Statistics From the Current Population Survey

The Current Population Survey (CPS) produces data on the labor force, employment, unemployment, and persons not in the labor force; data are classified by demographic, social, and economic characteristics. The CPS is conducted for BLS by the U.S. Bureau of the Census. Census sends questionnaires to about 59,500 households throughout the country. Hourly and weekly earnings of wage and salary workers and their families are published on a quarterly basis. Also, annual earnings and some total income data are published in conjunction with data on the economic status of families and employment problems of workers. Because it is a household survey, the CPS is able to provide substantial detail on the demographic, social, and economic characteristics of workers and their families.

Wages of Workers Covered by Unemployment Insurance Programs

The Employment and Wages Program (ES-202) is carried out in cooperation with State employment security agencies. Unemployment insurance tax reports, required

from employers for the administration of unemployment insurance laws, are collected and summarized quarterly by these State agencies. The summaries are aggregated by BLS to provide national data on employment and wages. The ES-202 is a comprehensive source of employment and wage data by industry at the national, State, and county levels for agricultural and nonagricultural employees. Included among the data collected are total wages, taxable wages, unemployment insurance contributions, and employment characteristics. Average annual and weekly wages also are derived from the series.

Data are used to measure unemployment insurance revenues and disbursements; national, State, and local area employment; and total taxable wage trends. ES-202 data also are used in actuarial studies of the unemployment insurance system; for determining employer tax rates, maximum unemployment insurance benefit levels, and areas needing Federal unemployment insurance assistance; and to evaluate the solvency of State unemployment insurance trust funds.

Income and Earnings Data From the Consumer Expenditure Survey

The Consumer Expenditure Survey (CES) collects data related to consumer expenditures for goods and services, amounts and sources of family income, changes in assets and liabilities, and demographic and socioeconomic characteristics of consumers. Conducted by Census, the CES is a continuous household survey and the only nationwide survey that links the levels of consumer income to patterns of consumer expenditures and savings. The data allow users to classify expenditures by income or other demographic and socioeconomic characteristics; economists and market researchers can analyze consumer demand for groups of goods and services. Data are useful to private and public agencies studying the welfare of certain segments of the population, such as the elderly, low-income consumers, or food stamp recipients. The Internal Revenue Service has used the data as the basis for revising the average State sales tax tables, which taxpayers may use in preparing Federal income tax returns.

The Employment Cost Index

The Employment Cost Index (ECI) is a comprehensive measure of change in employers' costs for employee compensation and includes costs for employee benefits, as well as wages and salaries. Each quarter the ECI measures changes in the price (wage plus benefit costs) of a standardized mix of purchased labor services. BLS economists visit sample establishments to obtain the initial information. Additional data are collected through forms mailed to each establishment.

The ECI measures changes in the price of labor defined as the rate of compensation per employee hour worked. This emphasis on the rate, rather than on average hourly earnings, distinguishes the ECI from other series. Data are collected on 23 separate benefits including paid leave (such as vacations and sick leave), supplemental pay (such as pay for overtime), insurance benefits, retirement and savings benefits, legally required benefits (such as Social Security), and other benefits (such as severance pay).

The ECI is used in analyzing the inflationary process and the changing structure of wage and compensation. Because the ECI provides data for subgroups (such as by industry, occupation, or region), it can be used to identify the sources of pressure for wage and compensation change.

Hourly Compensation Measures of the Office of Productivity and Technology

The Bureau of Labor Statistics, Office of Productivity and Technology (OPT), produces measures of real and nominal compensation per hour as part of its productivity and cost measurement program. Compensation measures are in index form and are designed to emphasize changes in labor cost over time. To compute these measures, OPT uses a compensation measure, a measure of hours, and the Consumer Price Index of All Urban Consumers (CPI-U). Compensation includes employer expenditures for employee wages and salaries, social insurance, and private benefits, plus estimates of these components for the self-employed. Hours are calculated separately for wage and salary workers, the self-employed, and unpaid family workers, then summed to the all-person level. Compensation per hour equals estimated

compensation divided by these hours. Real hourly compensation is compensation per hour divided by the CPI-U. The OPT measures of hourly compensation combine BLS hours data with compensation information obtained primarily from the Bureau of Economic Analysis, U.S. Department of Commerce.

These series are useful in forecasting and analyzing prices, wages, profits, and production costs. Because hourly compensation measures are presented in index form, however, their use is limited to the analysis of changes over time.

Measuring Negotiated Wage and Benefit Changes

The current wage development program provides information on pay changes resulting from collective bargaining. It measures compensation and the size of negotiated wage adjustments in major collective bargaining situations. Data are obtained directly from establishments as part of a variety of BLS surveys and are presented separately for three occupational groups: Professional-administrative, technical-clerical, and production workers. Monthly listings are produced that describe negotiated changes and statistical summaries of aggregate changes. Data from private industry and State and local governments include adjustments stemming from contract settlements, deferred changes, and changes resulting from cost-of-living adjustments. The series on wage and compensation adjustments from collective bargaining is one of the Federal Government's principal economic indicators and is used in determining trends in compensation and in forecasting changes in wage and salary income and in the gross national product.

The Employee Benefits Survey

The Employee Benefits Survey (EBS) provides comprehensive data on the percent of employees covered by major employee benefits and on the detailed provisions of benefit plans. The annual survey is conducted by BLS field representatives who visit each sample establishment and obtain documents containing the data required. Information is developed on 11 private sector employee benefits paid for at least in part by the

employer, including: Paid lunch and rest periods; holidays and vacations; personal and sick leave; long-term disability, health, and life insurance; and private pension plans.

The EBS is a major source of information for labor and management involved in contract negotiations. Employers use the EBS data to compare their benefit plans with prevailing practices. Labor unions assess potential areas for increasing nonwage compensation. Social welfare planners evaluate the ability of employees to provide for the current and future health and welfare needs of themselves and their dependents.

Selection of Series

To determine which statistical series would be most appropriate, data users should consider the following:

- The concept measured (rate of pay, earnings, compensation, labor costs, or income).
- The portion of the economy covered by the data.
- The amount of detail available in terms of industry, area, and type of worker.
- The time period covered.
- The definitions given to the items studied (for example, a survey of employee earnings may cover only regular payroll outlays, and exclude bonuses).

Users also should be familiar with the methods of compiling the series. Some earnings series come from surveys of establishments that provide data on employment, earnings, and hours; others come from household responses.

The table on page 23 summarizes and classifies each series in accordance with its emphasis on industry and worker coverage, frequency of publication, types of compensation included, and data sources.

Source: U.S. Department of Labor, Bureau of Labor Statistics, BLS Measures of Compensation, Bulletin 2239, 1986.

BLS measures of compensation--Summary of statistical series

Series	Coverage				Where published	Data reported
	Compensation	Worker	Industry	Geographic		
Occupational wage surveys	Wages and salaries.	Primarily nonsupervisory employees in selected occupations.	Varies by survey.	Varies by survey--nationwide, selected regions and areas.	BLS bulletins, news releases, locality releases.	Hourly, weekly, monthly, or annual straight-time earnings, by occupation, usually with incidence of benefits.
Average hourly and weekly earnings--establishment data	Wages and salaries.	Production and nonsupervisory workers.	Private nonfarm economy, excluding households.	Nationwide.	<u>Employment and Earnings</u> , news releases.	Hourly and weekly earnings, with industry and geographic detail.
Earnings statistics from the Current Population Survey	Primarily wages and salaries; also total money income.	Wage and salary workers, all employed workers.	All industries.	Nationwide.	<u>Employment and Earnings</u> , <u>Monthly Labor Review</u> , news release.	Hourly rates, weekly and annual earnings, money income; demographic detail.
Wages of workers covered by unemployment (UI) programs	Wages, salaries, and other payments covered by UI taxes.	All workers covered by Federal and State UI laws.	All industries.	Nationwide, Statewide, county level, and area.	<u>Employment and Wages</u> , news releases.	Weekly and annual earnings per employee, aggregate annual payrolls; industry and area detail.
Income and earnings data from the Consumer Expenditure Survey	Wages, salaries, and other sources of income.	Urban civilian noninstitutional population.	(1)	All urban areas.	BLS bulletins, news releases.	Annual income, by source.
Employment Cost Index	Wages, salaries, and employer costs for employee benefits.	All employees.	Private nonfarm economy, excluding households, and State and local governments.	Nationwide.	<u>Current Wage Developments</u> , news releases.	Indexes and quarterly and annual changes in wages and salaries and total compensation costs.
Hourly compensation measures of the Office of Productivity Technology	Wages, salaries, and supplements plus estimate of labor compensation of self-employed.	All employees plus the self-employed.	U.S. business sector.	Nationwide.	<u>Employment and Earnings</u> , news releases.	Indexes and quarterly and annual changes in hourly compensation.
Negotiated wage and benefit changes	Wages, salaries, and private benefits.	Production and non-supervisory workers in bargaining units of 1,000 workers or more (5,000 or more for wages and benefits combined).	Private nonfarm economy; State and local governments.	Nationwide.	<u>Current Wage Developments</u> , news releases.	Terms of individual settlements; average pay rate changes in cents per hour and percent.
Employee Benefits Survey	Selected employee benefits.	Full-time employees.	Medium and large private nonfarm establishments.	Nationwide.	BLS bulletin, <u>Monthly Labor Review</u> , news releases.	Incidence of benefit plans and plan provisions, by broad occupational group.

¹ Not applicable.

Source: U.S. Department of Labor, Bureau of Labor Statistics, 1986, News, USDL-86-211.

Using Consumer Expenditure Survey Data¹

One of the important uses of data from the Consumer Expenditure Survey (CES) is to provide information about the spending habits of different kinds of American households. Expenditures are categorized by household characteristics, including consumer unit size, age of reference person, region of residence, number of earners, and income quintile.² Several discriminating methods of measurement may be used to compare or contrast spending by different types of households.

Average expenditure levels. Levels of expenditures refer to the average amounts spent by each class of consumer units. The levels can be compared to determine differences by household characteristics. For example, units in the highest income quintile averaged \$91.16 a week for food, whereas those in the lowest income quintile averaged \$28.08. Consumer units with reference persons 25 to 34 years of age spent an average of \$54.22 per week on food, compared with \$37.80 spent by units with reference persons 65 years and over. One-person units with one earner averaged \$31.39 per week for food expenditures; one-person units with no earner averaged \$22.51. Consumer units in the South averaged \$52.24 per week for food, whereas units in the Northeast averaged \$58.48.

¹Findings from the continuing Consumer Expenditure Survey, Interview and Diary Surveys, 1982-83. For additional information on this survey and its two component parts, see "Spending Patterns of U.S. Households," p. 26 of this issue.

²The basic reporting unit of the CES is the consumer unit, which refers to a single person or group of persons in a sample household related by blood, marriage, adoption, or other legal arrangement, or who share responsibility for at least two of three major types of expenses--food, housing, and other expenses. The consumer unit may also be referred to as a household.

The reference person is the first person named by the survey respondent as owning or renting the home.

Budget shares. Budget shares are the portion of total expenditures spent on one component (for example, food) or the portion of one average component expenditure spent on one subcomponent (for example, the portion of average food expenditures spent on food away from home). Single-person units with a wage earner spent 58% of food expenditures on food away from home, compared with 30% by two-or-more-person units with one earner.

Aggregate expenditure shares. The aggregate amount spent by one class of consumer units for one component can be compared to the aggregate amount spent by another class, or by all consumer units, to determine if those units are consuming a disproportionate share of that expenditure item. Aggregate expenditures for one component are calculated by multiplying the mean expenditure for that component by the total number of consumer units. The aggregate expenditure share for one class of consumer units is determined by first multiplying the class' mean expenditure by the number of consumer units in the class, then dividing that number by the aggregate expenditure for all units for that component.

The aggregate expenditure share for one class of consumer units differs from the budget share of that class of consumer units. Even if the class' component budget share is large, the class' aggregate expenditure share can still be relatively small (1) if the class size is small and/or (2) if the class' mean expenditure for the component is relatively low compared with that of other classes. For example, units with reference persons under 25 years of age spent 23% of their average total expenditures on transportation, compared with 20% spent by all consumer units (budget shares). Yet, the aggregate expenditure share for units with reference persons under age 25 was only about 7%, even though these units comprise 10% of the total number of units; the dollar value of their mean expenditure is low relative to those of most other classes.

Per capita expenditures. Per capita expenditures are frequently used because consumer unit size may contribute to differences in expenditures among classes. Mean expenditure levels per consumer unit usually increase with age up to the middle-age classes and decrease thereafter. Per capita expenditures, however, reveal a different pattern; per capita housing expenditures are highest for units with reference persons age 65 or over and lowest for units with reference persons under 25 years of age (\$2,425, compared with \$1,894). Consumer units with reference persons ages 45 to 54 have the highest average expenditures for nonprescription drugs and supplies, but per capita expenditures are highest for units with reference persons age 65 or over.

Changes over time. CES data are used to record changes in U.S. consumer expenditure patterns over time. For example, average weekly expenditures for food increased 70% between 1972-73 and 1982-83, considerably below the 104% price rise for food as measured by the CPI. Although changes in expenditures and the CPI for food

away from home were similar (113% increase in expenditures compared with 120% rise in prices), there was a sharp difference in the changes for food at home (53%, compared with 99%).

Variations in expenditure patterns over time can be attributed to other factors, such as fluctuations in wage rates; changes in tastes, habits, and lifestyles; and the availability of new products. Demographic trends, such as changes in average family size, age, and earner composition, may also affect expenditures. The continuing CES allows data users to note trends more quickly than was possible in the past and to observe trends that might have been missed using data that were less frequently available.

Source: Gieseman, Raymond, and John Rogers, 1986, Consumer Expenditures: Results from the Diary and Interview Surveys, Monthly Labor Review 109(6):14-18, U.S. Department of Labor, Bureau of Labor Statistics.

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Spending Patterns of U.S. Households¹

The U.S. Bureau of Labor Statistics (BLS) reports that American households spent less for gasoline in 1984 than in 1983--the first annual decrease in a major expenditure category since 1980. Expenditures for other major components of transportation, however, substantially increased. Vehicle purchases accounted for two-thirds of the increase in transportation expenditures. Not only did more people buy cars, but the cost of cars and trucks increased. Also, vehicle financing costs (associated with increased vehicle expenditures) rose by 25%.

Although substantial fluctuations in dollar amounts spent on components occur from year to year, the proportion of money allocated to each component has been relatively constant over time. Other findings of the survey show that:

- Increases in expenditures surpassed increases in prices, as measured by the Consumer Price Index (CPI), for most components in 1984. For example, expenditures for nonprescription drugs rose 10% from 1983, whereas prices rose a little over 5%. Prices exceeded expenditures, however, for education and tobacco. Both expenditures and prices declined at a rate of 1.5% for gasoline and motor oil (table 1).

- From 1983 to 1984 expenditures for retirement, pensions, and Social Security increased 14% (table 1) because of the general upswing in income and legislated increases in maximum earnings to which Social Security tax is applied.

- Homeowners and renters spent about the same percent of total expenditures for housing; however, renters spent a higher share of their housing expenditures for shelter than did homeowners (21% and 16%, respectively). The latter spent a greater proportion for utilities, household operations, and equipment.

- There was a moderate rise in food expenditures. Consumer units with reference persons² under 25 years of age spent more of their food budgets on food away from home than units with older reference persons (table 2).

The Survey

The current Consumer Expenditure Survey (CES) was begun in 1979. The main objective for the survey is to gather consumer expenditure data that provide a continuous source of information on the buying habits of consumers. The data are used for the periodic revisions of the CPI and for research conducted by a variety of government, business, labor, and academic analysts. In the past the survey was conducted about every 10 years; the new survey is ongoing, with rotating panels of respondents participating over time. The continuous flow of data significantly adds to the usefulness of the survey by providing more timely and detailed information on household consumption patterns. A new feature of the detailed tables is the division of the 65-and-over age class into the 65-to-74 and 75-and-over age groups.

The CES survey consists of two components: (1) A **diary**, or recordkeeping, survey completed by participating consumer units for two consecutive 1-week periods; and (2) an **interview** survey in which the expenditures of consumer units are recorded in five interviews, each conducted every 3 months. Each component is used with an independent sample that is representative of the U.S. urban population. In the diary survey, 5,000 consumer units are interviewed over 52 weeks. The interview sample, composed of rotating panels, consists of 5,000 consumer units each quarter.

In the interview survey respondents report expenditures that have accrued over a period of 3 months or longer. In general, these are relatively large expenditures (such as those for real property, automobiles, and major appliances) or expenditures that occur fairly regularly (such as rent, utilities, and insurance premiums). Estimates of food

¹ Findings from the continuing Consumer Expenditure Survey: Interview and Diary Surveys, 1984, U.S. Department of Labor, Bureau of Labor Statistics.

² See footnotes 1 and 2 in table 1.

Table 1. Annual expenditures of urban consumer units and percent change in consumer expenditures (CE) and Consumer Price Index (CPI-U)¹

Item	1983	1984	Percent change	
			CE	CPI-U
Number of consumer units in universe (thousands)	72,531	74,844	--	--
Income before taxes	\$23,126	\$24,578	6.3	--
Size of consumer unit	2.6	2.6	--	--
Age of reference person (years) ²	46.1	46.2	--	--
Number in consumer unit:				
Earners	1.3	1.4	--	--
Vehicles	1.8	1.9	--	--
Children under 18 years .....	.7	.7	--	--
Persons 65 years and over .....	.3	.3	--	--
Total expenditures	\$19,692	\$21,788	10.6	(³)
Food	3,198	3,391	6.0	3.8
Food at home	2,224	2,342	5.3	3.7
Food away from home	974	1,048	7.6	4.2
Alcoholic beverages	286	299	4.5	2.6
Housing	5,980	6,626	10.8	(³)
Shelter	3,349	3,747	11.9	(³)
Owned dwellings	1,958	2,188	11.7	(³)
Rented dwellings	1,063	1,171	10.2	5.2
Other lodging	327	388	18.7	⁴ 7.9
Utilities, fuel, and public services	1,540	1,679	9.0	⁴ 4.6
Household operations	284	333	17.3	⁴ 2.7
Housefurnishings and equipment	808	868	7.4	.8
Apparel and services	1,084	1,192	10.0	1.9
Transportation	3,914	4,385	12.0	4.5
Vehicles	1,565	1,873	19.7	⁴ 8.9
Gasoline and motor oil	1,064	1,048	-1.5	-1.5
Other vehicle expenses	1,047	1,176	12.3	⁴ 4.4
Public transportation	239	288	20.5	6.2
Health care	839	899	7.2	6.2
Entertainment	919	1,040	13.2	3.7
Personal care services	184	205	11.4	3.9
Reading	131	140	6.9	⁴ 3.3
Education	293	312	6.5	9.7
Tobacco and smoking supplies	215	225	4.7	6.5
Miscellaneous	283	311	9.9	--
Cash contributions	588	740	25.9	--
Personal insurance and pensions	1,777	2,023	13.8	--
Life and other personal insurance	265	302	14.0	--
Retirement, pensions, Social Security	1,513	1,721	13.7	--

¹ Data from the Consumer Expenditure Survey (CES), interview component, 1983 and 1984. The basic reporting unit for the CES is the consumer unit that refers to a single person or group of persons in a sample household related by blood, marriage, adoption, or other legal arrangement, or who share responsibility for at least 2 of 3 major types of expenses--food, housing, and other expenses. The term household is used for convenience.

² The reference person or householder is the first person named by the respondent as owning or renting the home.

³ CPI for all items and home ownership are not conceptually comparable.

⁴ These figures were calculated for use in this report.

Source: U.S. Department of Labor, Bureau of Labor Statistics, 1986, Consumer Expenditure Survey results from 1984, News USDL 86-258.

Table 2. Weekly expenditures of urban consumer units classified by age of reference person¹

Item	All consumer units	Age of reference person						
		Under 25	25-34	35-44	45-54	55-64	65-74	75 and over
Number of consumer units (thousands)	74,283	8,132	17,514	13,261	10,460	10,635	7,249	6,050
Number of sample diaries	10,589	1,076	2,457	1,975	1,480	1,595	1,047	818
Average weekly expenditures:								
Food, total	\$57.71	\$32.27	\$55.29	\$75.06	\$79.03	\$61.20	\$47.80	\$31.84
Food at home (percent weekly food expenditures)	64.3	57.4	61.3	64.0	63.8	66.6	67.5	74.3
Food away from home (percent)....	35.7	42.6	38.7	36.0	36.2	33.4	32.5	25.7
Alcoholic beverages	\$5.33	\$4.49	\$6.19	\$5.70	\$7.37	\$5.94	\$3.05	\$1.41
Tobacco products and smoking supplies	3.41	2.05	3.15	4.00	4.79	4.42	2.54	1.57
Personal care products and services ..	4.65	2.19	4.28	5.34	5.98	5.80	4.78	3.21
Nonprescription drugs and supplies ..	1.87	.75	1.23	1.90	1.86	2.02	3.28	3.21
Housekeeping supplies	5.78	2.46	5.10	7.38	7.88	6.58	5.86	3.37

¹ Data from the Consumer Expenditure Survey (CES), diary component, 1984. The basic reporting unit for the CES is the consumer unit that refers to a single person or group of persons in a sample household related by blood, marriage, adoption, or other legal arrangement, or who share responsibility for at least 2 of 3 major types of expenses--food, housing, and other expenses. The term household is used for convenience. The reference person or householder is the first person named by the respondent as owning or renting the home.

Source: U.S. Department of Labor, Bureau of Labor Statistics, 1986, Consumer Expenditure Survey results from 1984, News USDL:86-258.

spending are included. Expenses incurred while on trips are reported exclusively in the interview component. An estimated 95% of expenditures are included in the interview survey.

The diary survey is used to obtain expenditures on small, frequently purchased items, which are normally difficult for respondents to recall; for example, detailed records of expenses are kept for food and beverages, both at home and in eating places. Expenses incurred while away from home overnight or longer are not included in the diary survey and particularly affect reported food costs. Housekeeping supplies, nonprescription drugs, and personal care products are exclusively reported in the diary survey. Personal care services are included in both components of the CES.

Source: U.S. Department of Labor, Bureau of Labor Statistics, 1986, Consumer Expenditure Survey Results from 1984, News USDL: 86-258.

PUBLICATIONS FROM BLS ON 1984 CONSUMER EXPENDITURE SURVEY

Results from the 1984 CES are found in the following reports by the U.S. Bureau of Labor Statistics:

- Consumer Expenditure Survey: Interview, 1984, Bulletin No. 2267, contains detailed information from the 1984 CES Interview Survey (urban population). The report is available from the U.S. Government Printing Office for \$4.50. Send requests to the Superintendent of Documents, Government Printing Office, Washington, DC 20402. Ask for GPO SN029-001-02905-5 and make checks payable to Superintendent of Documents.
- News USDL 86-258, "Consumer Expenditure Survey Results from 1984" (urban population).
- News USDL 86-451, "Consumer Expenditure Survey, 1984 Results for Both Urban and Rural Populations."

For inquiries about the CES or free copies of News reports, write to the Office of Prices, Bureau of Labor Statistics, U.S. Department of Labor, Washington, DC 20212.

New Publications

- **The Revised Consumer Price Index: Changes in Definitions and Availability**
Monthly Labor Review 109(7):15-23
Bureau of Labor Statistics
U.S. Department of Labor

The second of a series of articles on the upcoming revisions in the Consumer Price Index (CPI) has been published by the U.S. Bureau of Labor Statistics in the Monthly Labor Review. The series provides detailed information about the revised CPI, which will be introduced in January 1987. This article highlights changes that will occur in the availability and in the definitions of indexes. For additional information on updating the CPI, see "Revision of the Consumer Price Index," Family Economics Review 1986(1):22-23.

- **State and Metropolitan Area Data Book, 1986**
Bureau of the Census
U.S. Department of Commerce

The Census Bureau has updated the State and Metropolitan Data Book (SMADB) for the first time since 1982. Included are data from the 1982 Economic Censuses as well as from the 1980 Census of Population and Housing. This publication, the third edition, provides extensive geographic comparative data for States, metropolitan statistical areas, and central cities. In addition, many intercensal demographic and economic data are included from more than 25 Federal agencies and many non-Federal sources. SMADB is available for \$28 from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Ask for SN003-024-06334-4.

- **How to Get Information From the United States Department of Agriculture Office of Information**
U.S. Department of Agriculture

A recent revision of this bulletin lists individuals who serve as information sources for their respective program agencies or staff offices, as well as names of agency

Freedom of Information Act contacts. For the first time the bulletin, which has been published for the past 10 years, is available electronically as a menu item in USDA ON-LINE on the Dialcom computer system and can be updated whenever changes occur. Copies of this publication and information on USDA ON-LINE can be obtained by calling (202) 447-7454 or writing to Nancy Bevis, USDA-OGPA, Room 536A, Administration Building, 14th Street and Independence Avenue, SW., Washington, DC 20250.

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The following are for sale from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, (202) 783-3238:

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- **Disaggregated Farm Income by Type of Farm, 1959-82.** AER-558. August 1986.
SN001-019-00469-0. \$5.50.
- **What Attracts New Residents to Nonmetro Areas?** RDRR-56. April 1986. SN001-019-00430-4. \$1.00.
- **Black Farmers and Their Farms.** RDRR-59. July 1986. SN001-019-00449-5.
\$1.75.
- **Social and Economic Environment of Black Farmers.** RDRR-61. August 1986.
SN001-019-00463-1. \$1.25.

A single copy of the following is available free from the U.S. Department of Agriculture, Higher Education Programs, Room 350A, Administration Building, Washington, DC 20250:

- **Employment Opportunities for College Graduates in the Food and Agricultural Sciences.** July 1986.

Money Income of Households, Families, and Persons in 1984

Increased employment and higher real earnings levels were important factors that helped boost real median family income between 1983 and 1984. Median family income increased faster than inflation for the second year in a row, according to the results of the March 1985 Current Population Survey, conducted by the Census Bureau.

In 1984, median family income was \$26,430, 7.1% higher than the 1983 median of \$24,670. After adjusting for the 4.3% increase in consumer prices between 1983 and 1984, real median family income still showed a significant gain of 2.8%, compared to an increase of only 1.6% in 1983. Median household income¹ rose 2.3 percent from 1983 to 1984 after adjusting for inflation.

Between 1983 and 1984 median income of white families increased by 2.8% and the median income of black families increased by 1.7% (table). Families in the West, Midwest, and South also experienced real income increases. Married couples, regardless of the employment status of the wife, had significant increases in their income.

Families maintained by a college graduate experienced a 1.8% increase in median income between 1983 and 1984 (table). In contrast, the median income of families with a householder completing 4 years of high school rose 3.3%.

¹ Household income includes the income of all related and unrelated persons in the household, as well as the income of one-person households. Family income is limited to the income of related persons in a household.

As stated in this report from the U.S. Bureau of the Census, estimates were developed from two sample frames--one from the 1980 census and the other from the 1970 census. Since this sample design did not permit the development of estimates for area of residence that were comparable to either the 1980 or 1970 census definitions, figures for those estimates were omitted. According to the Census Bureau, publication of data by residence categories will resume when estimates can be derived using the full sample from the 1980-based survey design. Also, revised weighting procedures for persons of Spanish origin increased the Spanish population estimate by approximately 1.6 million.

The number of men and women with earnings rose substantially during 1984 as the number of employed Americans continued an expansion that began in 1983. The number of men with earnings rose to 66.5 million, up 1.5 million over 1983, and the number of women with earnings rose by 2.1 million to 55.2 million. Men had median earnings in 1984 of \$23,220, compared with median earnings for women of \$14,780. The earnings level for women was 64% of the level for men, about the same as 1983.

Source: U.S. Department of Commerce, Bureau of the Census, 1986, Money income of households, families, and persons in the United States: 1984, Current Population Reports, Consumer Income Series P-60, No. 151.

Comparison of median family income in 1983 and 1984

[In 1984 constant dollars]

Characteristic	1984	1983	Percent change (1983-84)
Total	\$26,433	\$25,724	*2.8
Race of householder:			
White	27,686	26,937	*2.8
Black	15,432	15,181	1.7
Spanish origin ¹	18,833	17,652	6.7
Region:			
Northeast	28,487	27,853	2.3
Midwest	26,753	25,900	*3.3
South	24,094	23,543	*2.3
West	28,077	26,764	*4.9
Education of householder:			
Elementary school	14,937	14,728	1.4
High school, 4 years	26,528	25,674	*3.3
College, 4 years or more	43,169	42,400	*1.8
Number of earners:			
None	11,377	10,974	*3.7
1	20,291	20,284	(²)
2	31,707	31,101	*1.9
3	39,828	38,914	*2.3
4 or more	50,278	49,824	0.9
Type of family:			
Married-couple	29,612	28,543	*3.7
Wife in paid labor force	34,668	33,518	*3.4
Wife not in paid labor force	23,582	22,991	*2.6
Male householder, no wife present	23,325	22,858	2.0
Female householder, no husband present	12,803	12,339	3.8

¹ Persons of Spanish origin may be of any race.

² Less than .05.

* Significant at the 95% confidence level.

Source: U.S. Department of Commerce, Bureau of the Census, 1986, Money income of households, families, and persons in the United States: 1984, Current Population Reports, Consumer Income Series P-60, No. 151.

Cost of Food at Home

Cost of food at home estimated for food plans at 4 cost levels, November 1986, U.S. average¹

Sex-age group	Cost for 1 week				Cost for 1 month			
	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES								
Family of 2: ²								
20-50 years	\$38.60	\$48.70	\$60.30	\$74.60	\$167.10	\$211.00	\$261.00	\$323.10
51 years and over	36.50	46.70	57.60	69.00	158.20	202.30	249.70	298.80
Family of 4:								
Couple, 20-50 years and children--								
1-2 and 3-5 years	56.10	69.90	85.70	104.80	242.90	303.00	371.00	454.10
6-8 and 9-11 years	64.40	82.30	103.10	123.90	278.50	356.30	446.50	536.70
INDIVIDUALS³								
Child:								
1-2 years	10.10	12.20	14.30	17.10	43.70	52.90	61.80	74.10
3-5 years	10.90	13.40	16.60	19.90	47.30	58.30	71.90	86.30
6-8 years	13.40	17.80	22.30	26.00	57.90	77.00	96.50	112.60
9-11 years	15.90	20.20	26.00	30.10	68.70	87.50	112.70	130.40
Male:								
12-14 years	16.60	22.90	28.60	33.60	72.00	99.40	124.00	145.70
15-19 years	17.30	23.80	29.50	34.20	74.80	103.10	127.70	148.10
20-50 years	18.50	23.50	29.60	35.60	80.00	101.80	128.20	154.40
51 years and over	16.80	22.40	27.60	33.00	72.60	97.00	119.40	143.10
Female:								
12-19 years	16.50	19.90	24.10	29.10	71.40	86.10	104.40	126.10
20-50 years	16.60	20.80	25.20	32.20	71.90	90.00	109.10	139.30
51 years and over	16.40	20.10	24.80	29.70	71.20	86.90	107.60	128.50

¹Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for the thrifty food plan were computed from quantities of foods published in *Family Economics Review*, 1984(1). Estimates for the other plans were computed from quantities of foods published in *Family Economics Review*, 1983(2). The costs of the food plans are estimated by updating prices paid by households surveyed in 1977-78 in USDA's Nationwide Food Consumption Survey. USDA updates these survey prices using information from the Bureau of Labor Statistics, *CPI Detailed Report*, table 3, to estimate the costs for the food plans.

²10 percent added for family size adjustment. See footnote 3.

³The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person--add 20 percent; 2-person--add 10 percent; 3-person--add 5 percent; 5- or 6-person--subtract 5 percent; 7- or more-person--subtract 10 percent.

Consumer Prices

Consumer Price Index for all urban consumers
[1967 = 100, unless otherwise noted]

Group	Unadjusted indexes			
	Nov. 1986	Oct. 1986	Sept. 1986	Nov. 1985
All items	330.8	330.5	330.2	326.6
Food	324.6	323.7	323.2	311.1
Food at home.....	309.9	309.5	309.0	296.6
Food away from home.....	365.8	364.0	363.3	351.3
Housing	361.7	363.0	363.7	355.0
Shelter.....	410.2	409.5	407.6	391.3
Renters' costs ¹	124.3	124.0	123.6	118.4
Rent, residential	285.6	284.6	283.2	271.7
Homeowners' costs ¹	121.5	121.3	120.7	115.8
Maintenance and repairs	377.1	379.0	376.2	372.7
Maintenance and repair services	433.7	437.5	437.0	426.4
Maintenance and repair commodities ..	272.9	273.0	268.7	271.5
Fuel and other utilities	371.1	379.1	388.3	392.1
Fuel oil, coal, and bottled gas	452.0	451.9	453.5	641.6
Gas (piped) and electricity	426.7	441.4	461.1	440.5
Household furnishings and operation.....	251.2	251.6	251.5	248.9
Housefurnishings	201.4	202.2	202.2	200.8
Housekeeping supplies	320.4	319.8	320.1	316.4
Housekeeping services	348.5	348.5	347.8	342.7
Apparel and upkeep	213.1	213.2	212.1	211.2
Apparel commodities	197.4	197.6	196.6	196.8
Men's and boys' apparel	205.3	204.3	203.2	203.6
Women's and girls' apparel	175.0	176.4	175.7	176.5
Infants' and toddlers' apparel	307.0	312.0	309.7	307.0
Footwear	215.1	215.1	212.0	215.5
Apparel services	339.0	338.3	336.7	326.3
Transportation	304.3	302.6	302.2	323.2
Private transportation	295.8	294.1	293.7	317.0
New vehicles	230.2	226.7	224.2	218.2
Used cars	361.0	360.6	359.5	376.4
Motor fuel.....	260.9	263.2	271.1	376.7
Maintenance and repair	368.4	365.7	365.0	355.8
Public transportation	431.7	428.7	428.5	412.8
Medical care.....	444.6	442.3	439.7	413.0
Medical care commodities	278.2	277.5	276.7	262.7
Medical care services	481.5	478.8	475.7	445.8
Professional services	399.8	398.0	396.1	375.5
Entertainment	277.4	276.5	275.3	269.0
Other goods and services.....	354.9	354.6	353.3	335.3
Personal care.....	293.4	293.1	292.0	285.4
Personal and educational expenses	448.2	447.6	445.2	415.4

¹ Indexes based on December 1982 = 100 base.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Highlights

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